



Board Agenda Item 54

DATE: January 28, 2025
TO: Board of Supervisors
SUBMITTED BY: David Luchini, RN, PHN, Director, Department of Public Health
SUBJECT: Agreement with Diamond Drugs, Inc.

RECOMMENDED ACTION(S):

Approve and authorize the Chairman to execute an Agreement with Diamond Drugs, Inc., dba Diamond Pharmacy Services, for pharmaceutical prescriptions and consultation services, effective upon execution, not to exceed five consecutive years, which includes a three-year base contract and two optional one-year extensions, total not to exceed \$1,000,000.

Approval of the recommended action will allow the Department of Public Health (Department) to utilize Diamond Drugs, Inc. (Diamond) for pharmaceutical and consultation services to treat communicable diseases. Diamond was selected by the Department through negotiations due to their ability to fulfill the scope of work and their prior history working with the Department after no bids were received for a request for quotation (RFQ) process to provide medication and pharmacy services required by the California Department of Public Health (CDPH). The agreement will be funded by CDPH grants and Health Realignment funds, with no increase in Net County Cost. This item is countywide.

ALTERNATIVE ACTION(S):

There are no viable alternative actions. Should your Board not approve the recommended action, the Department would not be able to obtain medications required to treat communicable diseases in high-need patients.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended action. The maximum compensation is \$1,000,000 for the term. The agreement will be funded by at least one CDPH grant (19%) and Health Realignment (81%). Sufficient appropriations and estimated revenues are included in the Department's Org 5620 FY 2024-25 Adopted Budget and will be included in subsequent budget requests for the duration of the term.

DISCUSSION:

The Department provides treatment for communicable diseases such as tuberculosis, meningitis and syphilis to high-need residents. This recommended agreement is instrumental to provide medications for the day-to-day clinic operations as well as specialty medications to treat health outbreaks. Consulting pharmacist services are included as required by the California State Board of Pharmacy.

On August 19, 2024, the Internal Services Department - Purchasing Division sent RFQ No. 25-011 for Pharmacy and Consultation services to potential vendors who were identified by the Department. The RFQ

required bidders to demonstrate the capabilities and qualifications required to execute the scope of work through at least five years of experience working with public health entities. The RFQ closed September 17, 2024 with no bids being received by Purchasing.

With the approval of County Purchasing, the Department reached out to Diamond to negotiate a contract because of the history and good relationship the Department has working with Diamond. It was also already demonstrated Diamond has the necessary experience and capabilities to effectively execute the scope of work through their prior contracts with the Department. Diamond further informed the Department that their email system had accidentally flagged the RFQ notification as spam and were thus unable to submit a bid and would look into how they could prevent the error in the future. Based on this criteria, the Department recommends entering into an agreement with Diamond.

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Agreement with Diamond Drugs, Inc.

CAO ANALYST:

Ron Alexander